

Message Text

LIMITED OFFICIAL USE

PAGE 01 OSLO 05297 051404Z

41

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-05 LAB-04

NSAE-00 RSC-01 SIL-01 DODE-00 PM-03 H-01 L-02 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 NEA-06 SAM-01 SAJ-01

IO-10 DLOS-03 SCA-01 FEAE-00 ACDA-05 OES-03 SWF-01

AGR-05 IGA-01 TRSE-00 OMB-01 CIEP-01 FRB-01 HEW-02

/109 W

----- 090557

R 051142Z DEC 74

FM AMEMBASSY OSLO

TO SECSTATE WASHDC 9038

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY STOCKHOLM

USMISSION NATO

LIMITED OFFICIAL USE OSLO 5297

E.O. 11652: N/A

TAGS: PINT SGEN EFIN NO

SUBJ: LABOR GOVERNMENT THREATENS TO RESIGN, BUT WILL MOST
LIKELY STAY

REF: (A) OSLO 4590 (B) OSLO 5148

SUMMARY: HAVING ACHIEVED ITS MAJOR LEGISLATIVE
OBJECTIVES IN THE FALL STORTING SESSION, NORWAY'S
MINORITY LABOR GOVERNMENT FOUND ITSELF AGAINST STRONG
OPPOSITION ON A NUMBER OF MINOR ISSUES. ANNOYED
BY THESE ATTACKS ON ITS LEGISLATIVE PROGRAM PRIME
MINISTER BRATTELI MADE IT CLEAR THE GOVERNMENT
IS PREPARED TO STEP DOWN IF A REPLACEMENT IS
DESIRED. LABOR CHOSE TO STAKE ITS POSITION ON A
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OSLO 05297 051404Z

MONOR SOCIAL SECURITY TAX QUESTION, AND IT NOW

LOOKS AS THOUGH THE OPPOSITION WILL CONCEDE THIS
POINT TO LABOR AND A CABINET CRISIS WILL BE AVERTED.
END SUMMARY.

1. WITH ITS TWO MAJOR DOMESTIC ISSUES RESOLVED
(REF A) AND THE FOREIGN POLICY DEBATE OVER (REF B),
THE REMAINDER OF THE NORWEGIAN STORTING'S FALL
SESSION WAS NOT EXPECTED TO CONTAIN MUCH EXCITEMENT,
BEING DEVOTED PRIMARILY TO COMMITTEE WORK ON THE
VARIOUS SECTIONS OF THE BUDGET. IN THE LAST FEW
WEEKS, HOWEVER, THE GOVERNMENT HAS BEEN DEFEATED
ON A NUMBER OF MINOR, BUT IRRITATING, BUDGET
ISSUES. AN UNLIKELY COMBINATION OF OPPOSITION
PARTIES, THE CONSERVATIVES, CENTER PARTY, CHRISTIAN
PEOPLES' PARTY, THE FAR-LEFT SOCIALIST ELECTORAL
LEAGUE (SV) AND FOUR SPLINTER PARTIES, HAVE COMBINED
TO VOTE AGAINST TELEPHONE RATE INCREASES, TO CUT SLIGHTLY
HYDROELECTRIC POWER EXPANSION FUNDS, AND TO OPPOSE A MEANS
TEST FOR SUBSIDIES TO SMALL FARMERS.

2. AFTER SEVERAL SETBACKS, CHRISTIAN PEOPLES' PARTY
REPRESENTATIVE KJELL MAGNE BONDEVIK CHIDED LABOR BY
SAYING IT HAD CRITICIZED THE PREVIOUS NON-SOCIALIST
GOVERNMENT FOR NOT "RECOGNIZING THE CONSEQUENCES"
OF A SERIES OF SMALL PARLIAMENTARY DEFEATS AND
RESIGNING. PRIME MINISTER BRATTELI IMMEDIATELY
RESPONDED TO BONDEVIK THAT HE IS PREPARED TO RESIGN
WHenever THE STORTING WOULD GIVE A CLEAR SIGNAL THAT
THAT IS WHAT IT WANTS, IMPLYING THAT IT SHOULD
THEN BE PREPARED TO UNITE ON A SUCCESSOR GOVERNMENT.
THE GOVERNMENT ALSO DECIDED THAT IT WOULD PUT AN
END TO THE SERIES OF SMALL DEFEATS ERODING ITS POSITION,
BY MAKING IT CLEAR THAT IT WOULD RESIGN RATHER THAN
ACCEPT DEFEAT ON A MINOR ISSUE OF HOW TO ASSESS
EMPLOYER CONTRIBUTIONS TO SOCIAL SECURITY. A PRAC-
TICAL REASON FOR THIS WAS THAT ITS TAX EXPERTS IN-
SISTED THAT THE CHANGE THE OTHER PARTIES WERE UNITED
ON (ASSESSMENT OF REGIONALLY-DIFFERENTIATED RATES
ACCORDING TO THE WORKER'S PLACE OF RESIDENCE,
RATHER THAN ON THE LOCATION OF THE WORKPLACE AS THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OSLO 05297 051404Z

GOVERNMENT PROPOSED) IS DIFFICULT ADMINISTRATIVELY
AND WOULD REQUIRE A DELAY IN IMPLEMENTING THIS PART
OF THE GOVERNMENT'S TAX PACKAGE.

3. THE CHALLENGE SEEMS TO HAVE COOLED THE AIR; THE
SV RECOGNIZING IT WOULD GAIN LITTLE BY UPSETTING
LABOR AND THE NON-SOCIALISTS STILL SEEMING TOO DIVIDED
TO BE READY TO PUT TOGETHER A NEW GOVERNMENT NOW.

THUS, WHEELS WERE SET IN MOTION TO RESOLVE THE CRISIS.
FINANCE MINISTRY EXPERTS SPENT ALL OF DECEMBER 3
TESTIFYING TO THE STORTING FINANCE COMMITTEE AND
FINANCE MINISTER KLEPPE AGREED TO A CONSERVATIVE
REQUEST TO POSTPONE ANOTHER CONTROVERSIAL LABOR
GOVERNMENTAL PROPOSAL (DEPOSIT OF 20 PERCENT OF NET CORPORATE
PROFITS OVER 500,000 KRONER IN A FUND FOR USE IN A LESS TIGHT,
OR MORE DEPRESSED, ECONOMIC PERIOD) UNTIL THE NEW YEAR. VARIOUS
SOURCES NOW REPORT, BOTH IN THE PRESS AND PRIVATELY,
THAT THERE ARE GROUNDS TO BELIEVE THAT A WAY WILL BE
FOUND TO PREVENT THE GOVERNMENT FROM BEING DEFEATED
ON THE SOCIAL SECURITY CONTRIBUTION QUESTION AND
THUS TO AVOID A CRISIS.
BYRNE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RULING PARTY, POLITICAL STABILITY, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 05 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OSLO05297
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740353-0316
From: OSLO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741258/aaaabxih.tel
Line Count: 129
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) OSLO 4590 (B) OSLO 5148
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2002 by boyleja>; APPROVED <25-Sep-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LABOR GOVERNMENT THREATENS TO RESIGN, BUT WILL MOST LIKELY STAY
TAGS: PINT, SGEN, EFIN, PGOV, NO, LABOR PARTY
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005